

# Exhibit 34



**NORFOLK AND PORTSMOUTH BELT LINE RAILROAD COMPANY**

1050 Virginia Av.  
P. O. Box 7547  
Portsmouth, VA 23707  
(757)393-2622

August 5, 2010

Mr. Allison  
Mr. Armbrust  
Mr. Drake  
Mr. Eliasson  
Mr. Wheeler

Re: Rail Service Connection to NIT – CSXT Rate Proposal dated July 23, 2010

Gentlemen:

Management has reviewed the rate proposal from CSXT for carriage of single-stack intermodal traffic between Berkley Yard and Norfolk International Terminal (NIT) outlined in your letter of July 23, 2010. A copy is enclosed for reference.

The basic assumption underlying the proposal is that NPBL can, with a single train crew during one eight hour (third) shift utilizing CSXT supplied power, take an inbound CSXT intermodal train from NPBL's Berkley Yard to NIT, drop it off, and return with an outbound CSXT intermodal train from NIT to the Berkley Yard. Management is interested in exploring whether it can undertake the requested service at a mutually agreeable rate. However, there are several issues and risks that need to be addressed in evaluating the proposal.

First, Article Ninth of the Operating Agreement of July 7, 1897 between NPBL's owners requires that freight rates be uniform. As proposed by CSXT, the handling of interchange traffic on the basis of a per-container rate would violate the terms of the Operating Agreement. Either the shareholders would need to amend the Agreement or approve an exception to its terms.

Second, the company's bylaws require that any agreement allowing foreign locomotives to operate over NPBL tracks must be reported immediately to the board of directors, and is subject to approval or disapproval of the board at any subsequent meeting. If the board does not approve the use of CSXT locomotives as proposed, NPBL will be required to lease additional power from Norfolk Southern (NS) to perform the requested service, resulting in additional expenses for locomotives and other services.

Third, assuming the first two issues can be resolved, NPBL would need to hire additional T&E personnel to perform the requested service. Costs of doing so indicate that incremental operating income would be approximately \$85,000 annually, not \$146,000 as estimated by CSXT.



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Fourth, there are several operational issues, all of which pose the financial risk to NPBL of having to devote more than one eight-hour crew to perform the requested service. These include:

- CSXT missing either the pick-up or drop-off interchange time windows;
- Equipment not being ready at NIT for the return move;
- Operational delays en route due to shared trackage with NS which runs several trains to NIT over the same tracks during the same midnight-to- 5:00am service window; and
- The suggested use of an alternate location for a CSXT pick-up point for the outbound train.

Financial consideration for these items will need to be addressed if we reach the point of a final contract.

Fifth, NPBL would need to make sure that the additional business did not interfere with its ability to serve existing customers adjacent to NIT. Management believes that this can be reasonably accommodated, though it will take time to ensure that traffic for those customers is not adversely affected.

Finally, the requested three-year term needs to allow for interim review and adjustment, including possible rate increases, to keep incremental income per container consistent.

In the past, issues regarding rate changes have been referred by the board to the Rate Committee for review. However, in light of the need for shareholder and board approval with respect to the first two issues, management will convene a meeting of the board of directors and, if necessary, the shareholders, to consider the CSXT rate proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'David H. Stinson'.

David H. Stinson  
President

Enclosure: CSXT Rate Proposal – July 23, 2010

Cc: Ms. Donna N. Coleman, Vice President  
James L. Chapman, IV, General Counsel